

BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to exemptions from the mining license tax; relating to the mining
2 license tax rates; requiring the electronic filing of certain applications and tax returns
3 with the Department of Revenue; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 43.05 is amended by adding a new section to read:

6 **Sec. 43.05.055. Electronic filing.** A return, license application, or other
7 document submitted to the department under this title shall be filed electronically
8 unless the person submitting the document does not have the technological capability
9 to do so. The department shall consider the electronic filing as equivalent to paper
10 filing for purposes of compliance with other requirements of this title. An electronic
11 filing authorized under this section is equivalent to a paper filing for the purposes of
12 civil or criminal penalties for violations of this title or AS 11.

13 * **Sec. 2.** AS 43.65.010(a) is amended to read:

14 (a) A person prosecuting or attempting to prosecute, or engaging in the

business of mining in the state shall obtain a license from the department. [ALL NEW MINING OPERATIONS ARE EXEMPT FROM THE TAX LEVIED BY THIS CHAPTER FOR THREE AND ONE-HALF YEARS AFTER PRODUCTION BEGINS.]

* **Sec. 3.** AS 43.65.010(c) is amended to read:

(c) The license tax on mining is as follows: upon the net income of the taxpayer from the property in the state, computed with allowable depletion, plus royalty received in connection with mining property in the state

over \$40,000 and not over \$50,000 3 percent

over \$50,000 and not over \$100,000 \$1,500 plus

5 percent of the excess over

\$50,000

over \$100,000 \$4,000 plus

2 [7] percent of the excess over \$100,000.

* **Sec. 4.** AS 43.65.020(d) is amended to read:

(d) A taxpayer's return **must be submitted to the department electronically in a format prescribed by the department, unless the exception under AS 43.05.055 applies** [SHALL BE MADE TO THE DEPARTMENT AT JUNEAU].

A taxpayer shall make a return either on a calendar year or fiscal year basis, in conformance with the basis used in making the taxpayer's return for federal income tax purposes.

* **Sec. 5.** AS 27.30.030(b)(2); AS 43.65.010(b), and 43.65.060(4) are repealed.

* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 43.65.010(a), as amended by sec. 2 of this Act, applies to all new mining operations in which production has begun on or after the effective date of this Act.

* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION. In administering the application of the exploration incentive credit

1 under AS 27.30, AS 27.30.030(b)(2), as that subsection read on June 30, 2016, applies to
2 determination of credit against a person's tax liability under AS 27.30.030(a) for a person
3 who first began new mining production before the effective date of this Act.

4 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations
7 necessary to implement the changes made by this Act. The regulations take effect under
8 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
9 implemented by the regulation.

10 * **Sec. 9.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

11 * **Sec. 10.** Except as provided in sec. 9 of this Act, this Act takes effect July 1, 2016.